

REPORT
LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.

DECEMBER 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

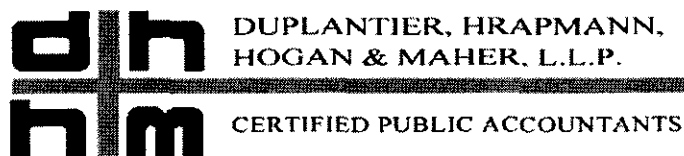
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LIVINGSTON ECONOMIC DEVELOPMENT
COUNCIL, INC.

INDEX TO REPORT

DECEMBER 31, 2004

	<u>PAGE</u>
ACCOUNTANT'S REPORT	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities... ..	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6 - 8



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March 16, 2005

Livingston Economic Development Council, Inc.
1810 South Range Ave.
Denham Springs, LA 70726

We have compiled the accompanying statement of financial position of Livingston Economic Development Council, Inc. (a nonprofit corporation) as of December 31, 2004, and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Duplantier, Hrapmann, Hogan & Maher, LLP

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2004
(Unaudited)

ASSETS:

Cash and cash equivalents	\$	95,420
Certificates of deposit		255,212
Accounts receivable		16,917
Land		210,432
Equipment and improvements		193,609
Accumulated depreciation		<u>(16,841)</u>

TOTAL ASSETS \$ 754,749

LIABILITIES:

Payroll deductions and accruals	\$	2,762
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NET ASSETS:

Unrestricted -		
Designated for new program development	691,317	
Temporarily restricted	<u>60,670</u>	
Total net assets		<u>751,987</u>

TOTAL LIABILITIES AND NET ASSETS \$ 754,749

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004
(Unaudited)

CHANGES IN UNRESTRICTED NET ASSETS:

REVENUES:

Grants:

Parish	\$ 27,000
Municipalities	9,183
Interest earnings	2,084
Membership investments	13,050
Dixie Business Development Center Contract	24,000
Mortgage Finance Authority	24,000
Other miscellaneous income	4,563
Total unrestricted revenues	<u>103,880</u>

Net assets released from restrictions	69,598
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Total unrestricted revenues and other support	<u>173,478</u>
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EXPENSES:

Program (Page 4)	127,881
Administrative (Page 4)	15,273
Total expenses	<u>143,154</u>

INCREASE IN UNRESTRICTED NET ASSETS	<u>30,324</u>
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CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Hotel occupancy taxes	53,710
Net assets released from restrictions	<u>(69,598)</u>

DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(15,888)</u>
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INCREASE IN NET ASSETS	14,436
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Net assets at beginning of year	<u>737,551</u>
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NET ASSETS AT END OF YEAR	<u>\$ 751,987</u>
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See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC
 STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2004
 (Unaudited)

	<u>Program</u>	<u>Administrative</u>	<u>Total</u>
Advertising and promotion	\$ 10,162	\$ -	\$ 10,162
Auto expense reimbursement	7,200	-	7,200
Conferences and seminars	348	-	348
Depreciation expense	5,864	-	5,864
Dues and subscriptions	-	1,244	1,244
Insurance	-	1,571	1,571
Miscellaneous	488	1,709	2,197
Office expenses	808	89	897
Postage and freight	-	602	602
Printing	1,337	-	1,337
Professional fees	8,236	-	8,236
Property taxes	433	-	433
Rent	10,800	1,200	12,000
Repairs and maintenance	2,400	-	2,400
Salaries and benefits	77,272	8,585	85,857
Strategic plan consultants	75	-	75
Telephone	2,458	273	2,731
	<u>\$ 127,881</u>	<u>\$ 15,273</u>	<u>\$ 143,154</u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase in net assets	\$ 14,436
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	5,864
Net change in operating assets and liabilities:	
Accounts receivable	(1,394)
Payroll deductions and accruals	352
Net cash provided by operating activities	<u>19,258</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(58,100)
Maturities of certificates of deposit	<u>(1,605)</u>
Net cash used by investing activities	<u>(59,705)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(40,447)
Cash and cash equivalents at beginning of year	<u>135,867</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>95,420</u></u>

See accountant's report and accompanying notes.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004
(Unaudited)

NATURE OF ACTIVITIES:

The Livingston Economic Development Council, Inc. (LEDC) was formed in 1982 by business and elected leaders to promote and secure capital investment in Livingston Parish to increase the tax base and provide job opportunities. The LEDC is a private, non-profit membership corporation. Its major sources of revenue are hotel occupancy taxes and grant income.

The LEDC works to achieve this mission in three ways:

- * Recruit new or expanding business opportunities to the parish from outside sources.
- * Work with existing businesses and industry to encourage growth and expansion.
- * Encourage entrepreneurship and the formation of new businesses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of LEDC have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the LEDC is required to report information regarding its financial position and activities according to three classes of net assets:

- * Unrestricted Net Assets
- * Temporarily Restricted Net Assets
- * Permanently Restricted Net Assets

Fund Accounting

The accounts of LEDC are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund. In accordance with SFAS No. 117, fund balances are classified on the Statement of Financial Position as unrestricted, temporarily restricted or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004
 (Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Income Tax Status

The LEDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the LEDC's tax-exempt purpose is subject to taxation as unrelated business income.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the LEDC considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents totaled \$95,420 at December 31, 2004.

Property and Equipment and Depreciation

Property and equipment are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$5,864 for the year ended December 31, 2004.

The organization capitalizes all assets that cost in excess of \$5,000 with a useful life exceeding one year.

2. CASH AND CERTIFICATES OF DEPOSIT:

At December 31, 2004, the status of deposited funds and collateralized balances is as follows:

Bank balances	\$ 350,842
Secured by Federal Deposit insurance	<u>350,842</u>
Unsecured and uncollateralized	<u>\$ --</u>

3. TEMPORARILY RESTRICTED NET ASSETS:

Livingston Economic Development Council, Inc. receives funds from the Louisiana Department of the Treasury. The funds are restricted by Acts 13 and 14 of the Louisiana Legislative Regular Sessions of 2003 and 2004, General Appropriations Acts for a purpose which has not been met. At December 31, 2004, \$60,670 of these restricted funds were held by the LEDC.

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.
 NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004
 (Unaudited)

4. LEASE EXPENSE COMMITMENTS:

During the year ended December 31, 2004, Livingston Economic Development Council, Inc. leased office space from Dixie Business Development Center for \$1,000 a month. The lease expires on January 31, 2005. Future minimum lease payments are as follows:

<u>Year ended</u> <u>December 31</u>	<u>Amount</u>
2005	\$ <u>1,000</u>

5. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

6. NET ASSETS RELEASED FROM RESTRICTIONS:

Net assets are released from temporary restrictions by incurring expenses satisfying the restricted purpose.

7. ADVERTISING EXPENSE:

Advertising costs are expensed as incurred. The Organization incurred \$10,162 of advertising expenses during 2004.